

Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

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PLEASE PASS J. ZEROLIS/LOS DELEGATION

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: AUGUST 3 EA PRESS SUMMARY

1. INDOCHINA

UPI COMPILES LIST, SAYS AT LEAST 9 AMCITS REMAIN IN VN (BALTO N-A 8/2). EVACUEES SAY HI PRICE GAS MAKES ALMOST IMPOSSIBLE DRIVE MOTOR VEHICLES IN SAIGON, WHILE POPULATION DOWN 25 PCT FROM WAR'S 4 MILLION. ABOUT 20 AMCITS, VIETS WITH US PASSPORTS BELIEVED STILL IN VN. ALMOST NO RETURNING AMERICANS SAW NEW ECON ZONES, BUT WERE TOLD LACKED WATER, TOOLS, MEDICINE, SANITARY FACILITIES, AND LAND TOO INFERTILE TO YIELD RICE CROP ADD PEOPLE IN SAIGON SELLING BELONGINGS DUE UNEMPLOYMENT/ LOW SALARIES, HIGH PRICES (AP SUN, PHINQ). FITZGERALD (NYDN) GIVES HISTORY SOME EVACUEES.

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VN BEGINS DRAFTING SVIETS FOR ARMY (WP; CSM; AP NYT, NYDN), BUT NO DEMOBILIZATION OF NVA OF ABOUT 700,000 (AP NYT, NYDN).

2. THAILAND/MALAYSIA

CMDR RTG PATROL KILLED IN CLASH WITH MCP GUERRILLAS NEAR BORDER (AP, PHINQ).

3. AUSTRALIA/NEW ZEALAND

DEFMIN ORDERED, THEN CALLED OFF INVESTIGATION INTO ALLEGATIONS FROM VN THAT AUSSIE TROOPS MASSACRED CIVILIANS IN 1970. SAID CHECK SHOWED NO SIGNIFICANT ENCOUNTERS AT TIME (WP).

GOA GIVES 1 MILLION DOLS TO HARVARD AS BICEN GIFT TO ESTABLISH AUSSIE STUDIES ENDOWMENT (REUTER, LAT 7/31).

DROUGHT ACROSS MOST SOUTHERN AUSTRALIA CAUSES HARDSHIP TO WOOLGROWERS (VICKERS, CSM). AUSSIES HAVE 1975-76 BOP DEFICIT OVER 1 BILLION A-DOLS, OVER DOUBLE PREVIOUS YR; MAY RENEW SPECULATION ON POSSIBLE DEVALUATION (JOC). GMH REVERSES 5-YR PROFIT DOWNTREND, LIFTS NET EARNINGS BY ALMOST 27 PCT (STOVE, JOC).

NZ RR OFFERS BARGAIN FARES TO TOURISTS DURING OFF-SEASON, NOW THRU NOV 30 (CSM).

4. INDONESIA

UNION OIL, ARCO AGREE NEW CONTRACT TERMS DESIGNED INCREASE INDO'S REVENUE; 2 OTHERS, PETROMER OF DENVER, ASAMARA OF CANADA REJECT GOVT'S TERMS, CONTINUE NEGOTIATIONS. NEW CONTRACTS GIVE JAKARTA 85 PCT SPLIT UNDER PRODUCTION-SHARING (WSJ). PERTAMINA HEAD SAYS GOI READY TAKE OVER 2 FIRMS THAT REFUSED ACCEPT GOVT'S REVISION TO CONTRACTS (UPI, JOC; REUTER, CHITRIB); 3 OTHER FIRMS, JAPEX, INDO-AMERICAN, FRANCE'S TOTAL AGREED TO NEW TERMS IN PRINCIPLE (REUTER, CHITRIB). PERTAMINA ESTIMATES 340 UNCLASSIFIED

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MILLION DOLS IN EXTRA REVENUE THIS YR IF ALL PRODUCERS AGREE TO NEW SPLIT. EXPLORATION COMPANIES WILL BE DEALT WITH SEPARATELY. TOUGH DEMANDS ARE GOVT ATTEMPT PAY OFF PERTAMINA DEBTS (AP, NYT).

JAKARTA PAPER SAYS NEW OIL MOVE COULD BACKFIRE, HAVE NEGATIVE EFFECT ON FOREIGN INVESTMENT. NUMBER RIGS REPORTEDLY ALREADY WITHDRAWN FROM INDO WATERS BY FOREIGN COMPANIES (AFP, NYT).

5. KOREA

KAL 707 CARGO JET CRASHED MONDAY ON TAKEOFF TEHERAN. GOI NEWS AGENCY REPORTS ALL FIVE CREWMEN KILLED. CAUSE

BEING PROBED (AP, WP, NYDN).

JT COMMUNIQUE ISSUED SEOUL AT END 2-DAY TALKS
REPORTS AGREEMENT IN PRINCIPLE BY FRANCE TO BUILD

ONE HYDRO/TWO NUCLEAR POWER PLANTS IN ROK. REPORTS
SAY ROK WAS SEEKING 500 MILLION DOLS FOREIGN CAPITAL
TO FINANCE PROJECTS (AP, SEOUL).

US EX-IM BANK AUTHORIZED 10-YR 9 PCT 58.5 MILLION DOL
CREDIT TO KOREA ELECTRIC CO, TO HELP FINANCE
SALE GE POWER EQUIPMENT (JOC, WASHINGTON).

6. JAPAN

FORMER MARUBENI EXEC HIYAMA INDICTED MONDAY FOR VIOLATING
FOREX/FOREIGN TRADE CONTROL LAWS. ACCUSED OF PASSING
1.66 MILLION DOLS TO TANAKA BETWEEN AUG 1973 - MAR 1974
IN CONSPIRACY WITH LOCKHEED REP CLUTTER (WSJ; REUTER,
NYT; CSM; CHITRIB; PHINQ; SEIDEN, SUN).

TANAKA'S LONG-TIME PRIVATE CHAUFFEUR, MASANORI KASAHARA,
FOUND DEAD IN MOUNTAINS NW TOKYO MONDAY. HAD BEEN
QUESTIONED IN LOCKHEED PROBE. APPARENT SUICIDE,
ACCORDING POLICE (SEIDEN; UPI, NYDN; AP, NYT, PHINQ).

CULLISON (JOC) SAYS 600-PAGE TEXT TRANSCRIPT OF TESTIMONY
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KOTCHIAN GAVE IN US COURT DUE ARRIVE TOKYO LATER THIS
WK. OFFICIALS SAY US HAS CLEARED WAY FOR USE IN
LOCKHEED PROCEEDINGS. NOTES PROSECUTORS HAVE HEARD
TELEPHONE REPORT OF GIST FROM LA, EXPECT IT CONTAIN
DETAILS, NAMES THOSE INVOLVED LOCKHEED PAYOFFS.

MOF SAID MONDAY FOREX RESERVES TOTALED 15.94 BILLION
DOLS END JULY. NOTED THIRD-HIGHEST MONTHLY INCREASE
THIS YEAR DUE FAVORABLE TRADE BALANCE, BRISK FOREIGN
INVESTMENT IN JAPANESE SECURITIES (UPI, NYT). JAPAN-
PRC TRADE DECLINED 6.5 PCT FIRST HALF COMPARED LAST
YEAR. TOTALED 1.68 BILLION DOLS (WP).

ISHIKAWAJIMA-HARIMA INDUSTRIES SAID MONDAY COMPANHIA
SIDERURGICA NATIONAL HAS SIGNED LETTER OF INTENT TO
BUY 65 MILLION DOL HOT STRIP MILL FROM JAPANESE GROUP.
WILL INSTALL VOLTA REDONDA, BRAZIL. ANNUAL CAPACITY
3.5 MILLION TONS. EXPECTS BEGIN PRODUCTION AUG, 1978
(WSJ, TOKYO).

AP (TOKYO) CITES YOMIURI REPORT MONDAY THAT RECENT JASDF
MISSION TO US HAS DECIDED MCD-D F-15 "MOST SUITABLE"
PLANE REPLACE F-104 IN NATION'S AIR DEFENSE. PREPARING

SUBMIT RECOMMENDATION TO MINDEF SAKATA MID-AUGUST THAT NEW FIGHTER BE INCLUDED IN NEXT SELF-DEFENSE BUILD-UP STARTING 1980.

7. LOS

TALKS OPENS NYC, WITH DELEGATES FROM ABOUT 150 COUNTRIES. HARD FIGHT PREDICTED (AP, NYDN). FIFTH SESSION STARTS WITH BITTER DISPUTE OVER PROCEDURES IN NEGOTIATING 6 KEY ISSUES: DEMANDS OF LANDLOCKED COUNTRIES, STRUCTURING INTL AUTHORITY TO EXPLOIT SEABED, LEGAL STATUS ECON ZONE, MECHANISM FOR SETTling DISPUTES, CONTROL SCIENTIFIC RESEARCH IN ECON ZONE, MECHANICS PUTTING TREATY INTO EFFECT. DEBATE DEMONSTRATES DEEP DISTRUST OF NUMBER DELEGATIONS. MAJOR DEVELOPMENT IS EMERGENCE BLOC 90 COASTAL STATES WHO SET SELVES AGAINST 52 LANDLOCKED NATIONS (WP SPEC).

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HOFMANN SEES HEIGHTENED MILITANCY 3RD WORLD NATIONS, BELIEVES DEEP-SEA MINING WILL BE MAIN ISSUE. US NOTES CONTROVERSY BETWEEN DEVELOPING, INDUSTRIALIZED COUNTRIES TAKES ON POL, IDEOLOGICAL OVERTONES, WARNS CONFERENCE NOT GET BOGGED DOWN IN SQUABBLES (NYT).

8. OLYMPICS

KILLANIN SAYS HOPES SOLVE 2-CHINA PROBLEM BEFORE 1980 MOSCOW GAMES. ADDS SAD 28 AFR NATIONS WALKED OUT (AP, SUN). CADY (NYT) REPORTS KILLINAN WANTS AFRICA, PRC, TAIWAN ALL IN 1980 GAMES.

9. CHINA

KOREAN WAR POW JAMES VENERIS RETURNED US FRIDAY FIRST TIME SINCE CHOOSING LIVE IN PRC 23 YRS AGO. MET BY FAMILY LA INTL AIRPORT. THANKED AMERICAN PEOPLE FOR LETTING HIM RETURN, SAID WANTS SPEND BICENTENNIAL WITH THEM (AP, WSTAR 8/1, NYT 8/1). IN INTERVIEW WITH KORKIN (WP 8/2) INSISTED NEVER SHED AMERICAN IDENTITY OR LOST LOVE FOR US, EVEN THOUGH ADOPTED CHINESE WAY OF LIFE. HOPES PROMOTE CLOSER US-PRC TIES DURING 3-MO STAY.

HUNDREDS OF FOREIGNERS BEGAN LEAVING PEKING IN RESPONSE WARNINGS OF NEW TREMORS; 21 AMERICAN WOMEN/CHILDREN LEFT USLO 8/2, BUT DCM DEAN SAYS NO PLANS EVACUATE ANY OF MISSION'S 31-MEMBER STAFF (NYDN W/PICS; UPI, BALT N-A; MUNRO, CHITRIB W/AP PHOTO). RESCUE EFFORTS CONTINUE, THO OUTSIDE HELP DECLINED (CSM). CHINESE REPORT TANGSHAN RECONSTRUCTION WORK PROGRESSING SLOWLY, DESPITE FACT AVG 5 AFTERSHOCKS PER HR HAVE HIT CITY SINCE 7/30. QUAKE

ALERT EXPECTED LAST THRU AUGUST (WSJ, AP, PHINQ). SECURITY
POLICE SEALED OFF PEKING'S RAIL STATION AFTER OFFICIAL

WARNINGS CITY MAY BE CENTER NEW QUAKE (REUTER NYT, SUN,
BOTH W/PICS).
US GEOLOGICAL SURVEY SCIENTIST CAMPBELL SAYS PRC QUAKE
MAY HAVE BEEN CAUSED BY VISE-LIKE STRESS FROM WHICH
TANGSHAN REGION TOOK BRUNT OF ACCUMULATED ENERGY (UPI,
LAT 7/31).
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SEN SCOTT SAYS CHINESE GROWING IMPATIENT, INSIST US SET
EARLY TIMETABLE FOR NORMALIZATION. SCOTT ATTEMPTED DIS-
COVER IF PRC WOULD PRECLUDE USE OF FORCE TO LIBERATE TAI-
WAN; CHINESE SAID WAS "INTERNAL AFFAIR." SEN ALSO
REPORTED THAT RADICALS HAVE "GRABBED" PARTY MACHINERY,
FOUND CHANG CHUN-CHIAO "VERY TOUGH CUSTOMER" (MARDER, WP).

MCELHENY (NYT) CITES INTL FOOD POLICY INSTITUTE REPORT
THAT PRC COULD TURN INTO FOOD EXPORTER BY 1985-86, AL-
THOUGH STUDY SUGGESTS PEKING MIGHT USE SURPLUSES TO IM-
PROVE DIETS NEARBY COMM STATES RATHER THAN ENTER WORLD
MARKET.

OVER 150 MEMBERS US "FLYING TIGERS" WHO FOUGHT JAPANESE
OVER CHINA DURING WWII ARRIVED TAIPEI 8/2 FOR ANNUAL CON-
VENTION (AP, NYDN).

COMMENT AND ANALYSIS

10. INDOCHINA

TREWHITT (SUN 8/1) NOTES HANOI DRAWING CURTAIN OVER SVN,
QUOTES US OFFICIAL THAT "NOW THE REAL REVOLUTION
WILL BEGIN." WONDERERS IF HANOI'S 2 POLICY LINES COMPATABLE:
AT HOME, FIRM STEPS SOCIALIZE RELUCTANT SVN POPULATION;
ABROAD, MODERATION IN RELS WITH CAPITALIST AS WELL AS
COMMUNIST GOVTS. SAYS US SPECIALISTS EXPECT HANOI PUT
TEETH IN CAMPAIGN MAKE PEOPLE WORK, ESPECIALLY CAMPAIGN
MOVE SAIGONESE BACK INTO AGRICULTURE THAT HAS ENCOUNTERED
RELUCTANCE FROM ENEMPLOYED. NOTES FEW OF UP-TO 200,000
IN RE-EDUCATION CAMPS HAVE REAPPEARED; SOME BELIEVE
MANY EXECUTED, AND FEARED BLOODBATH HAS ALREADY OCCURRED.

PHINQ (8/2) COMMENTS ON RELEASE BY DOJ OF DOCUMENTS-
PERTAINING TO AFTERMATH PUBLICATION "PENTAGON PAPERS."
NOTES LACK ADVERSE REACTION O'SEAS. OPINES RELEASE
PAPERS DIDHARM ONLY TO REPUTATIONS NUMBER FORMER
OFFICIALS KENNEDY, JOHNSON ADMIN. ADVISES AMERICANS
BE DUBIOUS WHEN GOVT INSISTS NATL SECURITY PRECLUDES
TELLING PEOPLE WHAT HAS BEEN DOING. UPI (NYT 8/2)
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NOTES 1950 SFRC TESTIMONY BY RUSK RELEASED. POINTS OUT RUSK SAID INDOCHINA WAR WAS NATIONALIST DISPUTE, MORE OF A POL THAN MIL PROBLEM.

TERZANI (LAT 8/1) DOES LENGTHY PIECE ON VN AS COMPANION TO ARTICLE ON SK ON AFTERMATH US' 2 ASIAN WARS. DESCRIBES CHANGES IN SAIGON SINCE WAR'S END. NOTES SINCE 1965 ALL NVN SURPLUS WENT INTO WAR; WITH POPULATION INCREASE, US BOMBING, RESULT WAS LIVING STDS WENT DOWN. SAYS IN SVN PRICE OF PEACE IS POVERTY. SAYS 8 MILLION MORE CITY DWELLERS WILL HAVE TO RETURN TO LAND, AND LIKELY "GRACE PERIOD" GRANTED CITIES MAY SOON BE OVER. FINDS IMMENSE PROBLEMS FACING COUNTRY, WITH NVN MORALE SAGGING SINCE ARMY NOT DEMOBILIZED, HOPED-FOR IMPROVEMENTS HAVE NOT MATERIALIZED. FIRST PRIORITY IS PRODUCTION, AND HANOI SEEKS FOREIGN AID EVERYWHERE. SEES DANGERS OF APATHY, NONCOOPERATION, EVEN OPEN REBELLION IN POPULATION. SAYS PROTRACTED PERIOD "RE-EDUCATION" RAISES DOUBTS ABOUT RECONCILIATION POLICY IN SVN. DETECTS SIGNS FIRMLY AUTHORITARIAN POL LINE EMERGING IN VN, WITH MAIN POWER BASE IN NVA.

POYSER, IN LTR TO NYT, CHIDES TOM HAYDEN'S VIEWS ON SEVERAL SUBJECTS, INCLUDING INDOCHINA. QUOTES HAYDEN THAT HIS CONVICTIONS RIGHT; WONDERS HOW RIGHT TO HAVE SUPPORTED HANOI REGIME THAT HAS RE-EDUCATION CAMPS, FORCED LABOR, BOOK-BURNING, ETC. POINTS OUT WE DON'T READ SO MUCH OF NEGATIVE ASPECTS SINCE FOREIGN JOURNALISTS, DIPLOMATS EXPELLED FROM SVN. ALSO WONDERS IF HAYDEN RIGHT TO ASSAIL US FOR SIDING WITH CAMBODIANS OPPOSING "POOR OPPRESSED FARM BOYS," THE KR.

11. INDOCHINA/THAILAND

MCARTHUR (LAT 8/1) NOTES RTG GOAL IS NORMAL RELS WITH VN. OPINES CIRCUMSTANCES, TIMING FOR FONMIN PHI CHAI'S TRIP TO HANOI SEEM INAUSPICIOUS DUE INTERNAL POL CHAOS. QUOTES PAPER THAT MORE PROBLEMS WITH MALAYSIA SINCE PM SENI TRIED PERSONAL DIPLOMACY 2 WKS AGO. NOTES SENI HUMILIATED BY OWN POL ALLIES, WHILE NATL ASSY EARNS REPUTATION FOR COWARDICE, INACTION. BELIEVES ABSENCE UNCLASSIFIED

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CREDIBLE RTG WILL PUT PHICHAI AT DISADVANTAGE IN HANOI. OPINES IF VN PRESSES, ALMOST CERTAIN DIPL RECOGNITION; VN, LAOS ALMOST CERTAIN OBTAIN SOME LESSENING RESTRICTIONS ALONG MEKONG BORDER WITH LAOS.

12. THAILAND

LOMBARD (SUN) NOTES RTG CONCERNED OVER DROPOFF IN FOREIGN INVESTMENT. REPORTS INVESTOR CONFIDENCE SHAKEN BY FEAR THAILAND WOULD BE NEXT DOMINO, POLITICAL UNREST. SEES THAI ECON PULSE HEALTHY WITH STABLE CURRENCY, MODERATE INFLATION. QUOTES "EUROMONEY" MAG THAT THAI GOVT IS

"UNEASY EXPERIMENT," CORRUPT, CHAOTIC, INSENSITIVE TO RURAL NEEDS; MAG ADDS THAT MIL COUP MIGHT ENCOURAGE FOREIGN INVESTMENT, BUT WOULD ALSO ENCOURAGE COMMUNIST INSURGENTS. STATES BELIEF IS THAT IF THAILAND GOES COMMUNIST, WILL FALL FROM INSIDE, WITHOUT INVASION THO REBELS GET SOME SUPPORT FROM VN, PRC. CALLS COMMUNIST THREAT SERIOUS BUT NOT FATAL. CONCLUDES MONEY CAN BE MADE IN THAILAND WHERE MINIMUM WAGE IS 1.25 DOL/DAY, CORPORATE BOOKS CAN BE KEPT FROM PUBLIC SCRUTINY, TAX EVASION IS NATL SPORT.

13. KOREA

AFSC AD (CSM 8/2) REPRINTS "DECLARATION FOR DEMOCRATIC NATIONAL SALVATION" READ IN MYONGDONG CATHEDRAL MAR 1. PAID FOR BY OVER HUNDRED "CONCERNED CITIZENS", LISTED BY NAME. CONTAINS TEAR-OUT COUPON DECLARING SUPPORT FOR ABOVE, SOLICITING CONTRIBUTIONS TO AID CAMPAIGN FOR RELIGIOUS FREEDOM/BASIC HUMAN RIGHTS.

SAAR (WP 8/2)REVIEWS SK PREPARATIONS FOR ANOTHER UNGA DEBATE THIS FALL. SAYS ROKG DECIDED TAKE PART RATHER THAN YIELD FORUM TO NK. HAS BEEN "HEARTENED BY PRIVATE ASSURANCES" FROM HAK THAT US WOULD GIVE STRONG SUPPORT. STATES UN DEFEAT THIS FALL WOULD BE "PSYCHOLOGICALLY DAMAGING." CITES OBSERVERS WHO BELIEVE ADVERSE UN VOTE WOULD INCREASE PRESSURE FOR US WITHDRAWAL, MIGHT UNCLASSIFIED

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PROMPT RENEWED CALLS IN JAPAN TO NORMALIZE RELS WITH NK.

SAAR (WP 8/1) TELLS HOW PARK REGIME ABUSES LAW TO REPRESS SK DISSIDENTS. RECALLS HOW ONE-THIRD OF JUDGES STAGED SHORT-LIVED REVOLT AGAINST PRESSURES BY PROSECUTORS TO GET CONVICTIONS; LATER, FOR REASONS NOT SPECIFIED, SOME 30 OF THEM, INCLUDING 7 SUPREME COURT JUSTICES, NOT REAPPOINTED. SAYS MANY LAWYERS FEEL EM-9 ILLEGAL, BUT CANNOT CHALLENGE CONSTITUTIONALITY IN COURTS. STATES LAWS APPLIED "WITH BEWILDERING INTRICACY" TO SHIELD SK LEADERS, YUSHIN CONSTITUTION FROM CRITICISM. CITES INTERCHANGABLE USE IN INTERVIEW OF TERMS "DISSIDENT" AND "COMMUNIST" BY MINJUSTICE WHANG.

SAAR (WP 7/31) EXPLAINS WHY REV STEVEN MOON'S US-BORN WIFE NO LONGER TAKES PART IN SPIRITED DEMONSTRATIONS

AGAINST TRIAL OF CLERGYMEN WHO READ MYONGDONG DECLARATION

-- WAS SUBJECTED TO PRESSURE BY USARMY, WHICH EMPLOYS
HER AS SUPERVISOR AT DRUG/ALCOHOL REHAB UNIT. SAYS JAG
CONSULTED AMEMBASSY BEFORE "COUNSELING" MRS. MOON ON
"POSSIBLE CONFLICT" BETWEEN HER HUMAN FEELINGS AND

RESPONSIBILITIES AS US ARMY EMPLOYEE; QUOTED SOFA
CLAUSE TO HER, THAT BANS POLITICAL ACTIVITY BY US
FORCES/CIVILIAN EMPLOYEES.

CDN'S WHYMANT (7/30) OBSERVES PRES PARK "WORRIED" ABOUT
GROWING POSSIBILITY CARTER MAY BE ELECTED, BUT UNWILLING
EASE HARSH TREATMENT OF POLITICAL OPPONENTS. NOTES
ROK AMB HAHM, IN SEOUL THIS WEEK FOR "URGENT CONSULTATIONS"
ON LIKELIHOOD POSSIBLE EFFECTS OF DEM WIN, REPORTED TO
PARK THAT FEARS OF DRASTIC CHANGE US POLICY "NOT
JUSTIFIED", BUT ADVISED SEOUL BE READY FOR SOME
"READJUSTMENTS."

AS PART LAT FEATURE (8/1) "AFTERMATH OF AMERICA'S TWO
ASIAN WARS', JAMESON NOTES SERIES VISIBLE/INVISIBLE
CONTRASTS IN ROK -- MILLION ARMED MEN FACING EACH OTHER
ACROSS DMZ JUST 25 MILES FROM SEOUL, WHERE AIR OF
NORMALITY BELIES MIL THREAT; SIGNS OF ECON PROGRESS,
UNDERPAID WORKERS; APPARENTLY CONVIVIAL PERSONAL LIFE,
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PERVASIVE KCIA VIGILANCE AGAINST DISSIDENTS. AND KIM
DAE JUNG, WHO HAS BECOME TOTALLY INVISIBLE. US-ROK
RELS, IMPROVED BY FORD VISIT, RESTATEMENT US COMMITMENT,
SEEM BETTER THAN EVER, BUT US OFFICIALS "THROWING UP
HANDS" IN EXASPERATION OVER PARK REFUSAL STOP JAILING
OPPONENTS.

JAMESON STATES US CONTINUES STEADFASTLY REFUSE DEAL
WITH NK, DESPITE NK EFFORTS LURE US AWAY FROM ALLY.
CITES US OFFICIAL "IN POSITION TO KNOW" THAT NK LAST
YEAR OFFERED BUY UNSPECIFIED TYPE US PLANE, BUT US
"TURNED DOWN OUTRIGHT."

FINDS SKOREANS AWARE OF ANOTHER CONTRAST -- US UNWILLING-
NESS, AS SHOWN IN VN, TO FIGHT LONG WAR, AS OPPOSED
PRC, USSR, BOTH OF WHOM WILLING SUPPORT NK OVER LONG
HAUL. SAYS ONE MORE INVISIBLE ISSUE IS SK EFFORTS
INFLUENCE US OPINION/POLICY BY QUESTIONABLE MEANS. CITES
"HIGH AUTHORITY" SEOUL, THAT SUCH EFFORTS HAVE LED
USG TO TAKE "UNUSUAL STEP" OF WARNING PARK REFRAIN FROM
USING REV MOON TO GAIN OWN ENDS IN US, HALT KCIA
ACTIVITIES IN US, AND STOP BRIBING US OFFICIALS.

14. JAPAN

WP'S JONES TELLS HOW RECESSION CAUSED CUTBACKS IN AIR TRAVEL THAT HAVE LEFT LOCKHEED TRISTAR PLANT AT PALMDALE (CALIF) STANDING LIKE "MUTE SYMBOL" OF DRAMATIC DECLINE IN US AEROSPACE ACTIVITY. NOTES LOCKHEED SCANDAL PROBE IN JAPAN HAS BLOCKED DELIVERY OF THREE PLANES ON FIRM ORDER FROM ANA.

15. CHINA

BUTTERFIELD (NYT MAG 8/1) DISCUSSES "INTRIGUING MATTER" MAO'S SUCCESSOR. STATES MAO HIMSELF MADE SUCCESSION UNCERTAIN BY CASTING ASIDE MOST SENIOR/EXPERIENCED COLLEAGUES WHO SEEMED DESTINED FOR POST. RECENT TURBULENCE IN PRC AGGRAVATED BY FACT PERSONAL AMBITIONS/RIVALRIES BECOMING INTERTWINED WITH POLICY DIFFERENCES. DESCRIBES HOW CHOU'S PLAN "RESURRECT" TENG WENT AWRY WHEN TENG BE-
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GAN PROMOTING POLICIES DEEMED HERETICAL IN MAOIST VIEW. BUTTERFIELD REVIEWS RISE HUA KUO-FENG FROM OBSCURE HUNAN PROV ADMINISTRATOR TO PARTY'S 1ST VICE-CHRMN. DOWNPLAYS POSSIBILITY YOUNG REVOLUTIONARY WANG HUNG-WEN ASSUMING MAO'S POSITION; THINKS LIKELIER PROSPECT MORE CENTRIST MEN LIKE HUA, PEKING MAYOR WU TE, 1ST DEP PM CHANG CHUN-CHIAO. AUTHOR ALSO SPECULATES ON POSITION MAO'S WIFE, CHIANG CHING. SAYS WOULD NOT BE SURPRISING IF HER ENEMIES MAKE HER ONE OF 1ST TARGETS IN POWER STRUGGLE AFTER MAO; YET NOT IMPOSSIBLE IMAGINE "CLOAKING HERSELF IN THE MANTLE OF MAO'S LEGACY," REMAINING FORMIDABLE FORCE. OPINES W/OUT MAO, PRC MIGHT BECOME MORE PREDICTABLE/BUREAUCRATIC SINCE FEW CHINESE HAVE AUTHORITY/DARING LAUNCH ANOTHER CULTURAL REVOLUTION.

GELB (NYT) SAYS PRC EMPHASIZING MIL ACTION AS ONLY SOLUTION REUNITING TAIWAN W/MAINLAND, AND IF CHINESE OFFICIALS MAKE PUBLIC STATEMENT TO THAT EFFECT BEFORE NOV ELECTIONS, WILL FORCE CANDIDATES SHARPLY DEFINE THEIR POSITIONS WHICH MAY RESULT IN INFLEXIBILITY DURING FUTURE NEGOTIATIONS. GELB STATES SOME ADMIN OFFICIALS BELIEVE HAK HAS UNDERESTIMATED TAIWAN'S IMPORTANCE TO PEKING AS WELL AS DANGERS OF IMPROVEMENT IN PRC-SOV RELS. SAME OFFICIALS SAY SECSTATE TOO PREOCCUPIED WITH ANTI-SOVIET DIMENSION PRC-US RELS, NOT CONCERNED ENOUGH W/TAIWAN PROBLEM.

LESLIE (LAT 7/31) FORESEES SEVERE ECON CONSEQUENCES FOR PRC RESULTING FROM QUAKE DISASTER. RADIO PEKING BOASTED 1974 THAT TANGSHAN, NOW BELIEVED DEVASTATED, PRODUCED OVER 1,100 DIFFERENT PRODUCTS. CITY ALSO PRODUCES 6 PCT PRC'S COAL, CONTAINS THERMAL STATION WHICH PROVIDES POWER FOR TIENTSIN, PEKING. NOTES ALSO IN QUESTION IS FATE 715-MILE TACHING-CHINHUANGTAO OIL PIPELINE.

MUNRO (WP) IN PEKING, SAYS CAPITAL'S SHANTYTOWNS PREPARING FOR LENGTHY EMERGENCY PERIOD. SOME FOREIGNERS SUSPECT GREATEST POTENTIAL DANGER IS DISEASE RESULTING

FROM COMBINATION SUMMER HEAT/PACKED LIVING CONDITIONS. NOTES PRC GOVT OFFERED PAY FOR RETURN FLIGHTS 78 PASSENGERS NOT PERMITTED CONTINUE TO PEKING FROM UNCLASSIFIED

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SHANGHAI; GOVT ALSO PAYING EXPENSES FOR FON STUDENTS WHO LEFT ON "SUDDENLY ANNOUNCED TRIP" TO S CHINA.

WP'S MATHEWS SPEAKS WITH AMCIT JOHN KAMM, US TRADE EXPERT, WHO WAS IN PEKING DURING QUAKE. KAMM SAYS PEKING RESIDENTS RESPONDED TO EMERGENCY WITH "WORKMAN-LIKE UNFLAPPABILITY." IN SEPARATE ARTICLE, MATHEWS REPORTS PEOPLE'S DAILY PRINTED FIRST EDIT ON QUAKE; GAVE "VEILED HINTS OF GREAT TRAGEDY AND HEROISM," BUT CASUALTY FIGURES STILL ABSENT.

FREUDENHEIM (NYDN) REMARKS HIGHLY DEVELOPED CHINESE SEISMOLOGICAL NETWORK FOR PREDICTING EARTHQUAKES "APPARENTLY DIDN'T HELP" ALLEVIATE PEKING-TIENTSIN DISASTER.

LAT (7/30) NOTES GREAT CHINA EARTHQUAKE COULD JUST AS EASILY HAVE HAPPENED IN HIGHLY URBANIZED, INDUSTRIAL S CALIFORNIA. THUS VIEWS IT AS "URGENT REMINDER" THAT INTENSIFIED QUAKE-FORECASTING PROGRAM IS NEEDED.

IN LETTER TO SF EXAMINER (7/19), "US-CHINA PEOPLE'S FRIENDSHIP" BERKELEY REP POINTS OUT POLITICIZING OF OLYMPIC GAMES INITIATED BY IOC, NOT GOC. CITES IOC RULE THAT STATES ANY COUNTRY CAN BE REPRESENTED BY ONLY ONE DELEGATION. NOTES NO NATION RECOGNIZES "TWO CHINA'S, AND IOC CANNOT MANDATE EXISTENCE OF TWO CHINA'S WHEN NATIONS ALL OVER WORLD RECOGNIZE ONLY ONE." KISSINGER

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